Hill Transport Subsidy Scheme to Arunachal Pradesh

1986. SHRI VIJAY J. DARDA: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether it is a fact that the Food Corporation of India was reimbursing transport cost under the Hill Transport Subsidy (HTS) Scheme to Arunachal Pradesh for taking foodgrains from the FCI depots to 13 designated distribution centres to areas which had no road links and only porters were used;

(b) if so, whether the audit reports put this figure to Rs. 193 crores in just two years;

(c) the steps taken to identify the culprits and starting the recovery proceedings; and

(d) the steps taken to avoid recurrence of such a fraud?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (DR. AKHILESH PRASAD SINGH): (a) Under the HTS Scheme the predominantly hilly States are reimbursed the transport costs incurred by them on actual basis for lifting of foodgrains from base depots of the Food Corporation of India (FCI) to designated Principal Distribution Centres (PDCs) located in the State.

(b) A special Audit by a team from FCI, of the reimbursements made to the Government of Arunachal Pradesh under the HTS Scheme, has reported that during the years 2002-03 and 2003-04 an amount of Rs. 193.52 crores was released by the FCI to the State Government in excess of the permissible payments under the Scheme.

(c) The matter regarding irregularities in HTS payments in Arunachal Pradesh is presently being investigated by the CBI. The excess release of Rs. 193 crores has been adjuted against the subsequent HTS bills of the State by the FCI.

(d) Necessary safeguards have been put in place to ensure that such irregularities do not occur in future.